

Apollo ST Debt Advisors LLC

FORM ADV

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This brochure provides information about the qualifications and business practices of Apollo ST Debt Advisors LLC (f/k/a Stone Tower Debt Advisors LLC) (“Apollo ST Debt Advisors”). If you have any questions about the contents of this brochure (“Brochure”), please contact us at (212) 515-3200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Apollo ST Debt Advisors is available on the SEC’s website at www.advisorinfo.sec.gov.

Apollo ST Debt Advisors is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

ITEM 2

Material Changes

Apollo ST Debt Advisors, an indirect subsidiary of Apollo Global Management, LLC, is required to identify and discuss material changes made to this Brochure since the last other than annual update filed on August 17, 2012. Accordingly, please note the following material changes:

Beginning in 2012, Apollo Capital Management, L.P. ("Apollo Capital Management") provides investment advice to Apollo SK Strategic Management, LLC. Apollo SK Strategic Management, LLC are not separately registered with the SEC as an investment adviser but is relying on Apollo Capital Management's registration under the Advisers Act and is a "relying adviser" pursuant to SEC staff guidance.

Apollo Global Real Estate Management, L.P. ("AGREM"), an indirect subsidiary of Apollo Global Management, LLC and also registered with the SEC as an investment adviser, in 2012 became the sole member of: (1) 2012 CMBS-I Management, LLC and (2) 2012 CMBS-II Management LLC. 2012 CMBS-I Management, LLC, and 2012 CMBS-II Management LLC are not separately registered with the SEC as investment advisers but are relying on AGREM's investment adviser registration with the SEC pursuant to SEC staff guidance.

In addition, Apollo ST Debt Advisors notes the following material changes disclosed in its last other than annual updated Brochure filed on August 17, 2012:

On August 10, 2012, Stone Tower Debt Advisors LLC changed its name to Apollo ST Debt Advisors LLC. Apollo ST Debt Advisors affiliate Stone Tower Fund Management LLC changed its name to Apollo ST Fund Management LLC on August 10, 2012. Apollo ST Fund Management LLC is registered with the SEC as an investment advisor.

In Apollo ST Debt Advisors' March 29, 2012 Form ADV Part 2A, Apollo ST Debt Advisors reported that Apollo Global Management, LLC and its subsidiaries (collectively, "Apollo") agreed to merge Stone Tower Capital LLC and its related management companies into Apollo's capital markets business. On April 2, 2012, Apollo announced the completion of the acquisition of Stone Tower Capital LLC and its related management companies ("Acquisition"). As a result of the Acquisition, Apollo ST Debt Advisors became a subsidiary of Apollo Global Management, LLC.

Following the Acquisition, Apollo ST Debt Advisors adopted certain of Apollo's compliance policies and procedures, including, but not limited to, Apollo's allocation and brokerage policies, and its Code of Ethics. Apollo's policies and procedures are, in certain instances, materially different than the policies and procedures Apollo ST Debt Advisors implemented prior to the Acquisition. As a result, Apollo ST Debt Advisors' investment professionals may manage Apollo ST Debt Advisors in a different manner than Apollo ST Debt Advisors was managed prior to the Acquisition.

Please note, in Apollo ST Debt Advisors' Form ADV Part 2A filed on March 29, 2012, Apollo ST Debt Advisors reported that it managed \$10,151,945,827 of regulatory assets on a discretionary basis, and \$0 on a non-discretionary basis as of December 31, 2011. Apollo ST

Debt Advisors has since determined that it managed \$9,645,672,787 on a discretionary basis and \$1,097,424,330 on a non-discretionary basis.

The discussion above relates to material changes made to Apollo ST Debt Advisors' Form ADV Part 2A, dated March 29, 2012.

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ITEM 4

Advisory Business

Apollo is a global alternative investment manager. Its primary business is to raise and invest private equity, capital markets and real estate funds as well as managed accounts, on behalf of pension and endowment funds, as well as other institutional and high net worth individual investors. Apollo has three primary business segments, including: (1) *Private Equity*, which primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments; (2) *Capital Markets*, which primarily invests in non-control debt and non-control equity investments, including distressed debt securities; and (3) *Real Estate*, which primarily invests in legacy commercial mortgage-backed securities, commercial first mortgage loans, mezzanine investments and other commercial real estate-related debt investments. Apollo also sponsors real estate funds that focus on opportunistic investments in distressed debt and equity recapitalization transactions.

Apollo ST Debt Advisors was formed in 2003 and provides advisory services to collateralized loan obligation issuers (“CLOs”), collateralized debt obligation issuers (“CDOs”), structured investment vehicles, trusts, managed accounts, co-investment vehicles, other pooled investment vehicles, and Cayman Islands exempted companies that invest in CLOs, CDOs and other structured finance vehicles (collectively, the “Clients”). Apollo ST Debt Advisors is directly owned by ST Management Holdings LLC, and Apollo ST Debt Advisors’ advisory affiliate, Apollo ST Fund Management LLC (f/k/a Stone Tower Fund Management LLC) (“Fund Management”), is indirectly owned by ST Management Holdings LLC. The sole member and principal owner of ST Management Holdings LLC is Apollo Capital Management L.P. (“Apollo Capital Management”), a Delaware limited partnership which is an indirect subsidiary of Apollo Global Management, LLC.

Apollo ST Debt Advisors provides discretionary investment advice as the investment/collateral manager primarily to structured investment funds including CLOs and CDOs. Apollo ST Debt Advisors also is the manager/replacement manager on asset-backed security (“ABS”) CDOs comprised of assets consisting of a diverse portfolio of residential mortgage-backed securities (“RMBS”), commercial mortgage-backed securities (“CMBS”), CDOs, monoline-wrapped bonds and other asset-backed securities of investment grade and non-investment grade structured finance securities. Apollo ST Debt Advisors provides investment advisory services to an account that invests in CLOs, CDOs and other structured finance vehicles. Apollo ST Debt Advisors serves as an investment adviser to an account consisting of high grade, non-agency, prime RMBS. Apollo ST Debt Advisors acts as substitute investment manager / enforcement manager for accounts in which it monitors the portfolio and suggests sales of underperforming assets, among other things. Apollo ST Debt Advisors provides services to an account, including recommending the opportunistic sales of assets, assessing the value of the assets and advising on the economic cost/benefit with respect to periodic corporate actions/amendments/tender offers that arise among the assets. Apollo ST Debt Advisors provides liquidation services, generally on behalf of a trustee for a CLO or CDO that has been directed to liquidate its collateral. Apollo ST Debt Advisors provides valuation services to other investment advisers relative to structured credit assets.

Apollo ST Debt Advisors tailors its advisory services to the stated objectives of the Client. Limitations and restrictions on certain investments or types of investments, if any, are set forth in the applicable CLO or CDO indenture, operative agreements of the Client investment vehicle and the investment management agreement entered into with a Client.

Without prior consultation with Clients, Apollo ST Debt Advisors may provide investment management services to additional private pooled investment vehicles that are offered to investors on a private placement basis. In connection with providing investment management services, Apollo ST Debt Advisors is appointed as investment adviser with discretionary trading authorization for the investment vehicles. Similarly, Apollo ST Debt Advisors also may provide discretionary or non-discretionary investment advisory services for separately managed accounts. Clients may also be solicited to invest in one or more private pooled investment vehicles managed by Apollo ST Debt Advisors or another Apollo Fund.

Except in limited circumstances, Apollo ST Debt Advisors has full discretionary authority with respect to the investment decisions of its Clients; however, its advice is provided in accordance with the investment objectives and guidelines set forth in each Client's offering memoranda, constituent documents, and/or investment guidelines. Similarly, the Apollo ST Debt Advisors' investment decisions and advice with respect to a separately managed account will be in accordance with the investment objectives and guidelines in such managed account's management agreement, as well as any other instructions provided by the separately managed account to Apollo ST Debt Advisors. Apollo ST Debt Advisors would not have discretion in instances where it is engaged to provide only recommendations or valuation services.

The investments of Apollo ST Debt Advisors may be subject to certain diversification and geographic limitations as set forth in the constituent documents of the Clients. Further, Apollo ST Debt Advisors may enter into side letters with certain limited partners of the Clients impose further restrictions on investing in certain types of securities, countries, geographies or businesses with respect to such limited partner.

Apollo ST Fund Management, a Delaware limited liability company, is an affiliate of Apollo ST Debt Advisors and is a registered investment adviser controlled by ST Management Holdings LLC. Apollo ST Fund Management serves as a manager for private investment funds that are exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and for separately managed accounts for large US and non-US institutional investors, including US public and private pension plans, non-US financial institutions and superannuation funds. The general partners of the private investment funds managed by Apollo ST Fund Management are affiliates of Apollo ST Debt Advisors and are controlled by ST Holdings GP LLC.

Apollo ST Debt Advisors manages \$9,645,672,787 of Client assets on a discretionary basis and \$1,097,424,330 of Client assets on a non-discretionary basis as of December 31, 2011.

ITEM 5

Fees and Compensation

Apollo ST Debt Advisors and its affiliates may charge carried interest, management fees and other fees to Clients. The specific payment terms and other conditions of the management fee and performance fee/allocation compensation available to Apollo ST Debt Advisors are set forth in the relevant private placement memoranda and constituent documents. Specific information on these fees are set forth below.

Advisory fees Apollo ST Debt Advisors generally charges for managing CLOs and CDOs are described in the applicable offering memoranda and investment management or collateral management agreements and are typically calculated as a percentage of the par amount of portfolio investments. Advisory fees for managed accounts and other services are negotiated on a case by case basis and are set forth in the applicable investment management agreement entered into with the Client. Apollo ST Debt Advisors' advisory fees for CLOs, CDOs and managed accounts are typically paid quarterly in arrears. For liquidation services, Apollo ST Debt Advisors' fee will generally be based on a percentage of the proceeds of the liquidation but in certain cases may be a fixed fee. For valuation services, Apollo ST Debt Advisors' fees will generally be determined based on the greater of a fee per investment or a specified fixed amount. In certain instances, Apollo ST Debt Advisors may receive structuring fees that are paid upon the closing of the formation of a CLO or CDO. Apollo ST Debt Advisors does not have a standard fee schedule.

Other Fees and Expenses

Clients generally bear all expenses related to their operations, including, by way of example, fees, costs and expenses directly related to the purchase and sale of their investments including, but not limited to, brokerage, trading and exchange fees, taxes, fees of auditors, actuaries, advisers, consultants, valuation experts and counsel, legal expenses (including legal expenses in connection with claims or disputes related to one or more actual or proposed investments), expenses of the advisory boards and annual meetings, insurance, litigation expenses, professional fees, interest expenses, research, review and evaluation of potential investments and negotiating the related transaction documents, travel in connection with the evaluation and negotiation of investments, operations services, valuation services, fund administration services, costs of preparing reports to investors and other financial reporting services, systems, including but not limited to, licenses, development and hosting, broken deal costs, administrative fees (including the expense of operational, secretarial, postage and legal services), custody expenses, service subscriptions utilized with respect to a Client's investment program, including phone and internet charges, all other customary expenses related to the acquisition, ownership and maintenance of investments regardless of whether the person providing or performing the service or output giving rise to the expense is related to Apollo or a third party and any extraordinary expenses.

Apollo ST Debt Advisors may have the unilateral discretion to waive or modify the application of certain provisions of the governing documents for each Client with respect to an investor in such Client (including those related to fees, performance allocations, transparency, and withdrawals) without obtaining the consent of any other investor. The applicable general partner

and Apollo ST Debt Advisors generally waive all fees and performance allocations from Apollo principals and employees of Apollo ST Debt Advisors and its affiliates, as well as for family members.

Apollo ST Debt Advisors' limited partnership agreements generally provide that the general partner may allocate capital from the capital accounts of limited partners to pay management fees and performance-based fees to the applicable Apollo ST Debt Advisors and/or the general partner of the fund. If the general partner effects a capital call for a contribution of capital by limited partners to pay management fees, the general partner is generally required to specify in the capital demand notice information regarding the nature and amount of the management fee. Apollo ST Debt Advisors' general partners generally may also elect to apply distributable proceeds from the sale of an investment to pay management fees.

In addition, Apollo ST Debt Advisors may engage, or cause Clients to engage, placement agents to market and sell interests or shares in Clients to prospective investors. Apollo requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of the Financial Industry Regulatory Authority. Certain Apollo Funds may impose a sales charge on subscriptions, on a disclosed basis, in order to compensate unaffiliated third parties who assist in obtaining subscriptions to such vehicles. In these cases, the sales charge will be deducted from the subscription and will not be treated as part of the investor's capital contribution to the Client. Alternatively, Apollo ST Debt Advisors may elect to reduce its management fee to the extent of any placement fees borne by the Client as contemplated by the governing documents of the relevant Client.

ITEM 6

Performance-Based Fees and Side-by-Side Management

Incentive fees Apollo ST Debt Advisors charges for managing CLOs and CDOs are described in the applicable offering memoranda and investment management or collateral management agreements. Generally, the incentive fee is calculated as a percentage of the par amount of portfolio investments accumulated over the life of the CLO or CDO, and is payable out of remaining cash flows of the CLO or CDO after payments on all obligations. In many cases, the incentive fee is subject to a hurdle rate, meaning that it is calculated as a percentage of, and paid only to the extent that, the CLO or CDO equity realizes an internal rate of return in excess of the hurdle rate. Incentive fees for managed accounts and other services may be similarly structured and are negotiated on a case by case basis.

The existence of incentive fees with respect to Clients may create a motivation for Apollo ST Debt Advisors to make more speculative investments on behalf of Clients than they might otherwise make in the absence of such performance-based compensation. The incentive fees may also motivate Apollo ST Debt Advisors to dedicate increased resources and allocate more profitable investment opportunities to Clients who are charged an incentive fee or a higher incentive fee, as Apollo ST Debt Advisors and its affiliates have the opportunity to receive incentive fees based on the success of portfolio investments. Similarly, the management fees, or higher management fees, may motivate Apollo ST Debt Advisors to dedicate increased resources

and allocate more profitable investment opportunities to Clients who are charged such management fees or higher management fees. Further, Apollo ST Debt Advisors is motivated to allocate investment opportunities to Clients who either pay an incentive fee or a higher incentive fee percentage to their general partners or to Clients whose current performance does not require them to reimburse limited partners for losses attributable to prior unprofitable investments before distributing performance allocations to their general partners.

Apollo ST Debt Advisors accepts performance-based fees and management fees from certain Clients. However, as described above, performance compensation and management fees are not charged to all Clients. The variation of compensation structures among Clients may create an incentive for Apollo ST Debt Advisors to direct the best investment ideas to, or allocate certain trades or investments in favor of, Clients that pay or allocate performance compensation (or higher performance compensation) or management fees (or higher management fees).

Apollo is committed to allocating investment opportunities on a fair and equitable basis regardless of whether performance compensation is accepted from a Client and has established detailed policies and procedures to address the conflicts of interest described above, including, in part, the following:

(1) Apollo has established a number of allocations committees to determine, among other things, (i) the suitability and available capital of Clients with respect to available investment opportunities, (ii) the resolution of potential conflicts of interest that arise in connection with multiple Clients having interests (including not only an outright position in any issuer but any exposure to such issuer derived through any synthetic and/or derivative instrument) in multiple tranches of securities (or other interests of an issuer) or multiple Clients with interests in the same tranche of an issuer, and (iii) the resolution of allocation conflicts that span more than one Apollo business unit and allocations to separately managed accounts;

(2) The two primary factors on which order allocation decisions are based are each Client's available capital and net asset value. The following additional allocation factors may also be taken into consideration: (i) the relative actual or potential exposure of any particular Client to the type of investment opportunity in terms of its existing investment portfolio; (ii) relative exposure of the Client to market trends; (iii) the investment objective of such Client; (iv) permitted leverage and available financing for the investment opportunity (including, without limitation, taking into account the levels/rates that would be required to obtain appropriate return); (v) likelihood of current income; (vi) size, liquidity and duration of the investment opportunity; (vii) seniority of loan and other capital structure criteria; (viii) with respect to an investment opportunity originated by a third party, the relationships of a particular Client (or the portfolio manager) to such third party; (ix) tax reasons; (x) regulatory reasons; (xi) supply or demand for an investment opportunity at a given price level; (xii) a Client's risk or investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage, liability duration or weighted average life, asset class type or other similar risk metrics); (xiii) whether the investment opportunity is a follow-on investment; (xiv) if the vehicle is in the process of fundraising, or is open to redemptions, notions of net asset value and available capital may be subjectively adjusted to account for anticipated inflows or redemptions; and (xv) such other criteria as are reasonably related to reasonable allocation of a

particular investment opportunity to one or more Clients (*e.g.*, in the case of a Client ramp-up period or when incubating a particular investment strategy or product); and

(3) An allocations committee may, in determining the allocation of an investment opportunity with respect to a mandate, take into consideration that: (i) multiple Clients have investment objectives that overlap to greater and lesser degrees; (ii) the applicable legal documents of each Client disclaim to greater or lesser degrees the obligation to offer such Client any investment opportunities that fall within its investment objectives; (iii) Apollo endeavors to not systematically disadvantage any Client; (iv) the investment objectives of a particular Client may change over time; (v) the ultimate character of an investment opportunity (*i.e.*, its risk/reward profile) may not become clear until a great deal of diligence and analysis has been completed by the portfolio manager pursuing such investment; (v) investment opportunities that are outcomes of heavily negotiated transactions are capable of being structured in a variety of ways, each of which presents its own particular risk/reward profile and (vi) a Client may have more than one mandate.

Please see Item 10 with respect to a limited exception to these allocation policies that may exist where Athene Asset Management, LLC (“AAM”) and other Apollo Managers (as defined below) invest in the same strategies for different Clients.

Clients may invest in securities or other assets that are illiquid and lack a readily assessable market value. Such illiquid investments are typically subject to the management fees described above and are valued pursuant to Apollo ST Debt Advisors’ valuation procedures, unless specific valuation procedures have been agreed upon between Apollo ST Debt Advisors and the Client.

ITEM 7

Types of Clients

As discussed in Item 4, Apollo ST Debt Advisors generally provides advisory services to CLOs, CDOs, structured investment vehicles, trusts, managed accounts and Cayman Islands exempted companies that invest in CLOs, CDOs and other structured finance vehicles. Apollo ST Debt Advisors does not have a minimum investment size.

Generally, investors participating in Clients are required to meet certain suitability and net worth qualifications, such as (i) an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act or (iii) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the investment strategies and methods of analysis employed by Apollo ST Debt Advisors on behalf of Clients. This summary should not be interpreted to limit in any way Apollo’s investment activities. Apollo may offer any advisory services, provide

advice with respect to any investment strategies and make any investments, including those that may not be described in this Brochure, that Apollo considers appropriate, subject to each Client's investment objectives and guidelines. Specific descriptions of such strategies and methods are included in each Client's private placement memorandum, subscription agreement, or other constituent documents. In the case of separate accounts managed by Apollo ST Debt Advisors, the investment strategies and methods of analysis employed on behalf of each separately managed account will be set forth in the management agreement between the managed account and Apollo ST Debt Advisors or in other related documents. There can be no assurance that the investment objectives of any Client will be achieved.

Participation in the Clients of Apollo ST Debt Advisors is only suitable for investors who have knowledge and expertise in financial and business matters and are capable of evaluating the merits and risks of an investment in a Client. The acquisition of limited partnership interests in a Client and the investments made by the Clients are highly speculative and may involve the risk of total loss of an investor's capital commitment.

Methods of Analysis and Investment Process:

Corporate Credit Investment Process. Apollo ST Debt Advisors has implemented a disciplined investment selection process and a bottom-up approach to due diligence and valuation. When evaluating prospective investments, Apollo ST Debt Advisors performs credit analysis on the company in order to identify assets that can provide attractive current income and/or capital appreciation. Apollo ST Debt Advisors studies particular industries and focuses on fundamental credit analyses of various companies within those industries. In addition to strong enterprise value coverage and consistent cash flow generation, Apollo ST Debt Advisors' investment team looks for investments in companies with strong market share, sufficient pricing power, commitment to deleveraging, strong management teams (whether existing or available) and sufficient equity support from sponsors and management.

Apollo ST Debt Advisors' investment team gathers data through a detailed due diligence process comprised of historical financial analysis paired with cash flow forecasts, a review of relevant publicly available information, meetings with management and occasional site visits. The due diligence process may also include the review and assimilation of information from a variety of third-party sources, including, without limitation, company and industry specific data, industry analysts and consultants, materials prepared by public and private research firms, industry trade publications, various statistical services, research departments of brokerage firms, other independent research firms and interaction with company management teams and other Apollo Managers who are familiar with specific companies or industries. The analyst then sets a price and yield target while identifying any catalysts needed to reach the targeted return and evaluating any specific issues such as operational challenges, cyclical pressures, financial risks and industry and general economic dynamics. Once the analyst completes such due diligence, the investment team determines the likelihood of a potential default and decides if the potential return outweighs the risk.

Once this process has been completed the investment team responsible for the investment presents the idea to the portfolio manager or Apollo ST Debt Advisors' investment committee,

depending on the size of the investment. New investments require portfolio manager or investment committee approval prior to their initial purchase.

Structured Credit Investment Process. Apollo ST Debt Advisors has implemented a disciplined investment selection process that includes both a top-down and bottom-up approach to due diligence and valuation. To gain exposure to the broadest array of ideas possible, Apollo ST Debt Advisors interfaces with major banks and broker-dealers, as well as key market participants with whom Apollo ST Debt Advisors has years of experience. Given the experience of Apollo ST Debt Advisors' investment team and its position in the market, Apollo ST Debt Advisors is approached by a vast array of counterparties regarding potential trades.

If a trade appears to offer potential, the investment team begins a series of evaluations designed to provide an in depth examination of the security as well as to determine its intrinsic value. In performing this analysis, the investment team employs a consistent, disciplined investment process across all sectors of the structured credit markets. At the deal level, Apollo ST Debt Advisors examines the documentation, the structure and the cash flow waterfall. On the level of the underlying collateral, Apollo ST Debt Advisors examines the credit quality of the assets, their characteristics and their likely behavior under different scenarios. Once this analysis has been completed, Apollo ST Debt Advisors stresses the collateral and the structure to determine the robustness of the asset. From this, Apollo ST Debt Advisors generates its own notion of intrinsic worth and determines the asset's relative value in comparison to other similar assets in the market.

Apollo ST Debt Advisors actively monitors the assets in Client portfolios through daily portfolio reviews and meetings in conjunction with ongoing surveillance using its proprietary surveillance system. When the asset is purchased, the Apollo ST Debt Advisors investment team sets internal performance covenants. The surveillance system alerts the portfolio manager when a performance covenant has been breached. This provides an early warning of potential credit deterioration in a position. The investment team will then perform a re-underwriting of the position to determine if it should be held or sold.

Risk of Loss:

The following risk factors are generally applicable to Apollo ST Debt Advisors' Clients. However, additional risk factors, including risk factors that are specific to a particular Client's investment strategy are described in each Client's private placement memorandum, subscription agreement, or risk disclosure statement.

No Assurance of Investment Returns. Apollo ST Debt Advisors cannot give Clients assurance that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within such Clients' individual investment objectives.

Business and Market Risks. Investments in portfolio companies may involve a high degree of business and financial risk, which could result in substantial loss to a Client. In particular, these risks could arise from changes in the financial condition or prospects of

the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. In addition, Apollo ST Debt Advisors' strategy for a portfolio company may involve an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty. The possibility of partial or total loss of capital will exist.

General Market Risks. Recent legal and regulatory changes, and additional legal and regulatory changes that could occur during a Client's applicable term, may adversely impact Clients. The regulation of the US and non-US securities and futures markets and investment funds has undergone substantial change in recent years and such change may continue. The effect of such new regulations on Clients, while impossible to predict, could be substantial and adverse and may, directly or indirectly, subject Clients to increased capital requirements, fees and expenses, as well as limits on the types of investors they may solicit. The full effect of that and future legislation cannot yet be known.

Laws and regulations, particularly those involving taxation, investment and trade, applicable to the activities of a Client can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the Client's interests. It is impossible to predict what, if any, changes in regulation applicable to Clients or Apollo ST Debt Advisors, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Clients and/or Apollo ST Debt Advisors may be or may become subject to unduly burdensome and restrictive regulation.

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying regulatory changes may increase the exposure of Clients to potential liabilities and to legal, compliance and other related costs and may have an adverse effect on private funds generally, and in particular, on the ability of Clients to achieve their investment objectives. The private fund industry may continue to be adversely affected by the recent developments in the financial markets in the US and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of Clients, operations and performance.

The entire market or particular instruments traded on a market may decline even if earnings or other factors improve inasmuch as the prices of such instruments are subject to numerous economic, political, psychological and other factors that have little or no correlation to the performance of a particular company. A Client may elect to hedge against market movements or the credit or other risks of any particular portfolio investment, whether by means of a derivative or other financial product or instrument. To the extent that Clients engage in certain hedging transactions, there can be no assurances that such hedging will insulate such Client from risks, and hedging techniques, whether

via a derivative or other product or instrument, may give rise to certain costs and additional risks, including a risk of the total loss of any amounts invested in hedging instruments.

Regulation & Enforcement; Litigation. Clients are subject to regulation by laws at local and national levels and in multiple jurisdictions, including foreign countries. Specific and general regulations addressing capital markets, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operating the Clients. Additional regulation could also increase the risk of third-party litigation.

On July 21, 2010 the President signed into law major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The Dodd-Frank Act, among other things grants regulatory authorities such as the Commodity Futures Trading Commission and the SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives markets. These revised and expanded powers may result in rulemaking, supervisory or enforcement actions that could adversely affect Clients or investments made by Clients.

In addition, certain Clients may invest in distressed investments and, as a result, there is a possibility that Apollo ST Debt Advisors may participate in restructuring activities. It is possible that certain Clients may become involved in litigation respecting creditor disputes and similar issues among classes of claimants. Litigation entails expense and the possibility of counterclaims against such Clients including their general partners and Apollo ST Debt Advisors, and ultimately, judgments may be rendered against a Client for which such Client does not carry insurance.

Lack of Liquidity of Investments. Clients’ portfolio investments will consist primarily of debt investments, including, but not limited to, senior secured loans, unsecured loans, second lien loans, debtor-in-possession financings, delayed drawdown loans and revolving bank loans. Loans are not generally traded on organized exchange markets but rather would typically be traded by banks and other institutional investors engaged in loan syndications. The liquidity of portfolio investments will therefore depend on the liquidity of this market. Trading in loans is subject to delays as transfers may require extensive and customized documentation, the payment of significant fees and the consent of the agent bank or underlying obligor. In addition, certain investments may be subject to legal or contractual restrictions or requirements that limit the Client’s ability to transfer them or sell them for cash. The resulting illiquidity of these investments may make it difficult for a Client to sell such investments if the need arises. If a Client needs to sell all or a portion of its portfolio over a short period of time, it may realize significantly less value than the value at which it had previously recorded those investments. There can be no assurance that the Clients will be able to generate returns for their investors or that the returns will be commensurate with the risks of investing in the types of instruments described herein. As noted above, there is a possibility of partial or total loss of capital as a result of such constraints.

Asset Backed Securities - ABS. Consumer and commercial ABS investments could be made in a range of asset classes and are subject to certain risks, including, among others, credit risk, liquidity risk, interest rate and other market risk, operational risk, structural risk, sponsor risk, monoline wrapper risk and other legal risk.

Consumer Asset Backed Investments (Including Auto Loans and Leases). Economic conditions in states where obligors reside may affect delinquencies, losses and prepayments on the receivables. The following economic conditions may affect payments on the receivables (i) levels of unemployment, (ii) interest rates, (iii) inflation rates and (iv) consumer perceptions of the economy. In addition, epidemics and extreme weather conditions (such as hurricanes, floods, snowstorms, tornadoes, mudslides and forest fires) could cause substantial business disruptions, economic losses, unemployment and an economic downturn. Higher energy and fuel costs could reduce the amount of money that obligors have available to make monthly payments. Obligor could potentially become delinquent in making monthly payments or default.

Asset Backed Investments Collateralized by Credit Card Receivables. As owner of credit card accounts, financial institutions retain the right to change various terms and conditions of their credit card accounts, including finance charges and other fees they charge and the required minimum monthly payment. Changes in relevant law, changes in the marketplace or prudent business practices could cause financial institutions to change credit card account terms. A pay out event triggering the start of the amortization period could occur if a financial institution decreases the finance charges or fees it charges and that reduction results in a material decrease in the yield on the credit card receivables arising in those credit card accounts. In addition, financial institutions may change the terms of those credit card accounts to maintain their competitive position in the credit card industry. Changes in the terms of those credit card accounts, including increases in the finance charges or fees it charges, may reduce the amount of credit card receivables arising under those credit card accounts or the amount of collections on those credit card receivables and result in reductions in payments to interestholders. If consumer payment rates decrease significantly at a time when interestholders are scheduled to receive payments of principal, interestholders might receive principal more slowly than expected. A financial institution's ability to make payments will be impaired if sufficient new credit card receivables are not generated by such financial institution. Financial institutions may be prevented from generating sufficient new credit card receivables due to regulatory restrictions or for other reasons. Financial institutions do not guarantee that new credit card receivables will be created, that any credit card receivables will be transferred or that credit card receivables will be repaid at a particular time or with a particular pattern.

Collateralized Loan and Collateralized Debt Obligations. CLO and CDO securities generally are limited-recourse obligations of the issuer payable solely from the underlying securities or collateral, or the proceeds thereof. Holders of these securities must rely solely on distributions on the underlying securities or proceeds thereof for payment. If distributions on the underlying securities are insufficient to make payments, no other assets will be available for payment of the deficiency and such deficiency will be

extinguished. The underlying securities or collateral may consist of high-yield securities, loans, structured finance securities and other debt instruments, which in many cases will be rated below investment grade. The lower rating of high-yield securities and below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal or interest. The underlying securities or collateral of a CLO or CDO issuer may bear interest at a fixed rate while the securities issued by the CLO or CDO may bear interest at a floating rate (or the reverse may be true). As a result, there could be a floating/fixed rate basis mismatch, timing mismatch or adjustment mismatch that could adversely impact the ability of the CLO or CDO to make payments on its securities.

Equity Securities Issued by CLOs or CDOs. CLO or CDO equity securities represent leveraged investments in the underlying collateral held by the CLO or CDO. The use of leverage creates risk for the holders because the leverage increases their exposure to losses with respect to the collateral. As a result, the occurrence of defaults with respect to only a small portion of the collateral could result in the substantial or complete loss of the investment in the CLO or CDO equity securities. CLO or CDO equity securities represent unsecured equity interests in the relevant CLO or CDO, which like other securities issued by CLOs or CDOs are payable solely from and to the extent of the available proceeds from the collateral held by it. CLO or CDO equity securities are also subordinated to the prior payment of all obligations under debt securities issued by the CLO or CDO. Except for the CLO or CDO issuer, no person is obligated to pay dividends or any other amounts with respect to the CLO or CDO equity securities. If distributions on the collateral are insufficient to pay required fees and expenses and to make payments on the debt securities of the CLO or CDO in accordance with the applicable priority of payments, no other assets of the CLO or CDO or any other person will be available for the payment of the dividends or other amounts with respect to the CLO or CDO equity securities.

Synthetic CLOs and CDOs. Synthetic CLOs and CDOs enter into credit default swaps and total return swaps. CLOs and CDOs that invest in credit default swaps rely on the creditworthiness of the credit default swap counterparty. Consequently, in addition to relying upon the creditworthiness of the reference securities, the CLO or CDO issuer is also relying upon the creditworthiness of the credit default swap counterparty to perform its obligations under the credit default swaps. The CLO or CDO issuer has no legal or beneficial interest in any reference security or any other obligation of any reference entity. The CLO or CDO issuer has no right directly to enforce compliance by the obligor under any reference obligation with the terms thereof, does not have any rights of set-off against such obligor, does not have any voting rights with respect to such reference obligation, does not directly benefit from any collateral supporting such reference obligation and does not have the benefit of the remedies that would normally be available to a holder of such reference obligation.

Mortgage-backed Securities. RMBS and CMBS have various risks, including credit, market, interest rate, structural and legal risks. Risks affecting the underlying real estate investments of an RMBS or CMBS include general economic conditions, the condition of

financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The cyclicity and leverage associated with real estate-related instruments have historically resulted in periods of adverse performance, including performance that may be materially more adverse than the performance associated with other instruments.

Subprime Mortgage Backed Securities - RMBS. RMBS are backed by collateral pools of subprime residential mortgage loans, mortgage loans that have been originated using underwriting standards that are less restrictive than the underwriting requirements used as standards for other first and junior lien mortgage loan purchase programs such as the programs of Fannie Mae and Freddie Mac. These lower standards include mortgage loans made to borrowers having imperfect or impaired credit histories, where the amount of the loan at origination is 80% or more of the value of the mortgaged property, made to borrowers with low credit scores, made to borrowers who have other debt that represents a large portion of their income and made to borrowers whose income is not required to be disclosed or verified. Due to economic and market conditions, including increased interest rates and lower home prices, as well as aggressive lending practices, subprime mortgage loans have in recent periods experienced unprecedented increased rates of delinquency, foreclosure, bankruptcy and loss and they are likely to continue to experience rates that are higher than those experienced by mortgage loans underwritten in a more traditional manner.

Commercial Mortgage Backed Securities - CMBS. Commercial mortgage loans, in addition to certain risk factors that are applicable to RMBS securities (described above), generally lack standardized terms, have shorter maturities than residential mortgage loans and may provide for the payment of all or substantially all of the principal only at maturity. Additional risks may be presented by the type and use of a particular commercial property. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

Structured Investment Vehicles - SIVs. SIVs generally issue one or more classes of debt securities, including medium term notes, Euro notes and commercial paper of various degrees of seniority. The securities issued by SIVs are often backed by ABS, RMBS, CMBS, CLO or CDO securities or other asset types of the kind discussed above and, accordingly, are subject to the risk factors inherent in the types of assets backing the securities of the SIV. SIVs may have swap counterparties or liquidity providers that provide hedging, liquidity or other credit support or enhancement. These features of SIVs make them subject to counterparty and performance risks similar to those discussed above. In addition to the risks relating the underlying assets of a SIV, the structure and securities issued by a SIV may introduce certain other risks such as credit, market, liquidity, downgrade, hedge or liquidity counterparty, interest or currency, redemption, prepayment, the effects of leverage and other risks inherent in structured vehicles.

High-Yield Securities. High-yield securities trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace and include bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities that react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing.

Corporate Leveraged Loans. Corporate leveraged loans originated by banks and other financial institutions, may be term loans and revolving loans that may pay interest at a fixed or floating rate, may be senior or subordinated and may be secured or unsecured. These loans may be illiquid. To the extent that they are non-investment-grade, they may also bear risks associated with high-yield bonds described above.

Bank Loans. Bank loans and loan participations are subject to unique risks, including (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations and (iv) limitations on the ability to directly enforce rights with respect to participations. Bank loans are further subject to the risk that the borrower will fail to make timely payments of principal and/or interest.

Distressed Securities. Distressed securities include those securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled companies is the fact that it frequently may be difficult to obtain information as to the true condition of such companies. These investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. A company's securities may be considered speculative and the ability of such company to pay its debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within a company. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or

contingent, have been satisfied) or will result in a distribution of cash or a new security having a lower value and/or adverse terms.

Bankruptcy Claims. Apollo ST Debt Advisors may invest on behalf of Clients in bankruptcy claims, which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest, and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Trust Preferred Securities. Trust preferred securities, typically issued by banks, insurance companies and similar institutions, have characteristics that are common to both preferred stock and debt securities and represent a leveraged investment in collateral of the issuer. Trust preferred securities will generally be part of the issued share capital of an issuer and will not be secured under any indenture or by any pool of collateral or asset types. The issuer generally will pledge substantially all of its assets to secure any notes or any other obligations, all of which are senior to trust preferred securities. The collections on and proceeds of the issuer's assets will be available to make payments in respect of the trust preferred securities only if, as and when funds are released from the lien of any debt indenture in accordance with its terms. Since the timing and amount of cash available for the trust preferred securities is subject to many uncertainties, there can be no assurance that the issuer will have funds remaining after application of available funds to its debt, expenses and other obligations to make distributions in respect of trust preferred securities.

Index-Related Risks. Indices and index-related products may be used to make investments or pursue hedging strategies. Several economic and market factors will influence the value of the underlying credit products comprising the various indices, including (i) the value of any index at any time, (ii) the volatility (frequency and magnitude of changes in value) of any index, (iii) interest and yield rates in the particular credit markets, (iv) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the credit products underlying the applicable indices, or credit markets generally, and that may affect the final value of the applicable indices, (v) the time remaining to the maturity of the underlying credit products comprising the various indices, (vi) a variety of economic, financial, political, regulatory or judicial events and (vii) the credit worthiness of the underlying credit products comprising the various indices. The publishers of the indices can add, delete or substitute the credit products underlying each of the indices, and can make other methodological changes required by certain events relating to the underlying credit products that could change the value of the indices. Any such changes could adversely affect the value of the underlying credit products.

Investments in Securities Indexed to the Value of Foreign Equity Securities. Investments in securities indexed to the value of foreign equity securities involve risks

associated with the securities markets in those countries, including the risk of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Foreign companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies.

Swap Contracts. A credit default swap (“CDS”) is a contract between two parties that transfers the risk of loss if a company defaults in its obligation to pay principal or interest on time or files for bankruptcy. In the event of a default, the swap may be terminated and the purchaser of credit protection will receive from the counterparty, the person who wrote the protection, a payment of the agreed amount. Apollo ST Debt Advisors may purchase for Client accounts credit default protection as a hedge, or it may write credit default protection with a view to receiving spread income. Apollo ST Debt Advisors also may purchase for Client accounts credit default protection even though its Clients do not own the referenced instrument.

A total return swap (“TRS”) is a two-party contract under which each party agrees to exchange with the other specified investment returns from investments or instruments. A TRS enables the Client to gain exposure to an underlying credit instrument without actually owning the credit instrument. Generally, a total return (interest, fixed fees and capital gains/losses on an underlying credit instrument) is paid to a counterparty in exchange for the receipt of a floating rate payment. The TRS investor pays only a fraction of the value of the total amount of the credit instrument that is referenced in the swap as collateral posted with the counterparty, so that the TRS is a leveraged investment in the underlying credit instrument.

Transactions in swap contracts, such as CDSs and TRSs, expose Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem with the counterparty and, as a result, there will be a loss in the investment. The lack of a complete and “foolproof” evaluation of the financial capabilities of swap counterparties and the absence of credit evaluation and regulatory oversight of market participants may increase the potential for such losses.

Repurchase and Reverse Repurchase Agreements. Apollo ST Debt Advisors may invest on behalf of Clients in repurchase and reverse repurchase agreements. In a repurchase agreement, Apollo ST Debt Advisors “sells” securities to a broker-dealer or financial institution, and agrees to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase agreement, Apollo ST Debt Advisors “buys” securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid, plus interest at a negotiated rate. There is a risk that the counterparty will not perform its obligations, in the case of a repurchase agreement, to sell the securities and, in the case of a reverse repurchase agreement, to repurchase the securities. In the event of a default in a reverse repurchase agreement, there may be additional costs associated with disposing of the securities.

ITEM 9
Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

ITEM 10
Other Financial Industry Activities and Affiliations

Apollo ST Debt Advisors and its management personnel are affiliated with other investment advisers and a broker-dealer that are registered with the SEC. Apollo Global Securities, LLC (“AGS”), an affiliate of Apollo, is registered with the SEC as a broker-dealer. Certain management persons of Apollo ST Debt Advisors that are involved in providing portfolio management services on behalf of Apollo ST Debt Advisors will also be involved in the business and operations of AGS. Such management persons may face conflicts of interest in dedicating time and resources to the management of Clients, which may have a detrimental effect on Client performance. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo Client and providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo’s policies and procedures.

AGS

AGS registered as a broker-dealer with the SEC on April 1, 2011. AGS (i) serves as placement agent for Apollo Funds (as defined below) and may receive fees from Apollo Funds for selling interests in those funds; (ii) negotiates the debt and equity investments made by portfolio companies owned or controlled by Apollo Funds or the securities offerings by portfolio companies and receives fees from those companies for such services; (iii) negotiates mergers of portfolio companies, acquisitions and dispositions of portfolio companies by Apollo Funds, or the sale of portfolio companies by Apollo Funds and receives fees from portfolio companies or Apollo Funds for providing such services; (iv) serves as underwriter for portfolio company debt or equity offerings and receives fees from portfolio companies for providing such services; and (v) negotiates the terms of co-investment opportunities for investors in Apollo Funds alongside portfolio investments made by Apollo Funds, places Clients and investors in co-investment vehicles, and may receive fees in connection with such services.

Because the fees that the Apollo Funds and their portfolio companies pay to AGS may not be negotiated at arms length, it is possible that Apollo Funds and portfolio companies may pay higher fees to AGS than they would pay to unaffiliated broker-dealers. In addition, as a result of AGS’s affiliation with Apollo ST Debt Advisors, Apollo ST Debt Advisors may have an incentive to engage AGS instead of unaffiliated broker-dealers. Apollo ST Debt Advisors may elect to reduce the management fee it charges to Clients by an amount up to the fees received by AGS.

AP Alternative Assets, L.P.

Apollo ST Debt Advisors is affiliated with AP Alternative Assets, L.P., a limited partnership registered under the laws of Guernsey (“AAA”), whose common units are traded on Eurolist by Euronext, the regulated market of Euronext Amsterdam N.V. under the symbol “AAA”. AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P. (“AAA Investments”). AAA Investments generally effectuates the following types of investments:

- Private equity investments consisting mainly of co-investments alongside the Apollo Investment Fund VI, L.P., its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, “AIF VI”) and certain Apollo Investment Fund VII, L.P. investments (collectively with its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles, “AIF VII”). AAA Investments has co-investment arrangements with AIF VI and AIF VII.
- Investments in certain Apollo Funds sponsored or managed by the Apollo Capital Markets Managers (as defined below).
- Opportunistic investments which are comprised of investments in Apollo Life Re Ltd. and GA Data Holdings Ltd. Athene Holding is an Apollo-sponsored vehicle that owns directly or indirectly the equity of Athene Life Re Ltd., a Bermuda-based reinsurance company focused on the life reinsurance sector, Athene Annuity & Life Assurance Company (formerly Liberty Life Insurance Company) and a recently acquired Delaware-domiciled (formerly South Carolina domiciled) stock life insurance company. GA Data Holdings Ltd. is a real estate joint venture established to acquire and redevelop a data center located in the United Kingdom.

Affiliates of Apollo receive a quarterly management fee from AAA Investments, payable in arrears, in an amount equal to a percentage of adjusted assets. AAA Investments will not be directly charged management fees when it invests in an Apollo Fund, as the Apollo Managers (as defined below) will receive management fees directly from the Apollo Funds in which AAA Investments invests.

Each direct investment made by AAA Investments will be subject to carried interest, which will generally entitle affiliates of Apollo to realize a portion of the profits generated by the investment (generally, a percentage of net realized gains or a percentage of the annual increase in net asset value, depending on the type of investment).

Apollo ST Debt Advisors’ affiliation with AAA and AAA Investments is subject to the conflicts of interest set forth below in this Item 10.

Additionally, as part of Apollo’s integrated platform, certain management persons of Apollo ST Debt Advisors may also provide services to other pooled investment vehicles or investment companies sponsored by Apollo. By way of example, certain management persons of Apollo ST Debt Advisors that are involved in providing portfolio management services to Clients may have direct incentive compensation arrangements with such other Apollo Funds that pay incentive fees to their general partners. Such management persons may be incentivized to (i) dedicate additional time and resources to such Apollo Funds with which such persons have a direct

incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such Apollo Funds instead of Clients, each of which may have a detrimental effect on Client performance. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures and by establishing the investment allocation procedures described above.

Affiliated Apollo Managers

Apollo ST Debt Advisors is affiliated with the Apollo Private Equity Managers as set forth in (1) through (8) below (collectively, the "Apollo Private Equity Managers"); the Apollo Capital Markets Managers as set forth in (9) through (35) below (the "Apollo Capital Markets Managers"), the Apollo Commodities Manager as set forth in (36) below (the "Apollo Commodities Manager") and the Apollo Real Estate Managers set forth in (37) through (52) below (the "Apollo Real Estate Managers" and together with the Apollo Private Equity Managers, the Apollo Capital Markets Managers, and the Apollo Commodities Manager, the "Apollo Managers").

The Apollo Private Equity Managers are:

- (1) Apollo Management, L.P. ("Apollo Management"): Apollo Management is a Delaware limited partnership that is an SEC registered investment adviser and controls the investment managers set forth in (2) through (8) below.
- (2) Apollo Management III, L.P.: Apollo Management III, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund III, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively "AIF III"). AIF III is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (3) Apollo Management IV, L.P.: Apollo Management IV, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund IV, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, "AIF IV"). AIF IV is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (4) Apollo Management V, L.P.: Apollo Management V, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund V, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, "AIF V"). AIF V is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (5) Apollo Management VI, L.P.: Apollo Management VI, L.P. is a Delaware limited partnership that acts as the investment manager of AIF VI. AIF VI is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(6) Apollo Management VII, L.P.: Apollo Management VII, L.P. is a Delaware limited partnership that acts as the investment manager of AIF VII (together with AIF III, AIF IV, AIF V, and AIF VI, the “Apollo Private Equity Funds”). AIF VII is an investment fund whose principal investors are public and private pensions and other financial institutions.

(7) LeverageSource Management, LLC: Leverage Source Management, LLC is a Delaware limited liability company that acts as investment manager to LeverageSource V S.a.r.l. (Lux).

(8) Apollo Management (Mauritius - PE) Ltd.: Apollo Management (Mauritius - PE) Ltd. is a Mauritius limited company that is a sub-adviser to Apollo Management VII, L.P. It also acts as investment manager to Apollo India Private Equity (Mauritius) Ltd., a Mauritius limited company that serves as a sub-account to AIF VII.

The Apollo Private Equity Funds generally seek to make investments in (i) control or influential minority equity and equity equivalent positions, and (ii) debt or other securities providing equity-like returns across the capital structure of companies, including distressed debt investments. Investments are sought across a range of industries and markets. The Apollo Private Equity Funds also may invest in securities across the capital structure including senior secured bank debt, second lien, high yield debt, trade and credit derivatives, and bank loans. In addition, the Apollo Private Equity Funds, either directly or indirectly through a special purpose vehicle may engage in total return swaps, which allow the Apollo Private Equity Funds to derive the economic benefit of owning an asset without retaining legal ownership of such asset. Finally, in connection with certain investments, the Apollo Private Equity Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates.

As supervised persons of Apollo Management, the Apollo Private Equity Managers (other than Apollo Management) intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Private Equity Managers and any other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Management. The Apollo Private Equity Managers are relying on Apollo Management’s registration under the Advisers Act and are not registering themselves.

The Apollo Capital Markets Managers are:

(9) Apollo ST Fund Management LLC (f/k/a Stone Tower Fund Management LLC): Apollo ST Fund Management LLC, a Delaware limited liability company, is registered with the SEC as an investment adviser, and is indirectly controlled by Apollo Capital Management. Apollo ST Fund Management LLC serves as the investment manager to: (i) Apollo Credit Master Fund Ltd. (f/k/a Stone Tower Credit Master Fund Ltd.). (“Credit Master Fund”), together with its two feeder funds, Apollo Credit Fund LP (f/k/a Stone Tower Credit Fund LP) (“Credit Onshore Fund”) and Apollo Offshore Credit Fund Ltd. (f/k/a Stone Tower Offshore Credit Fund Ltd.), which invests primarily in leveraged loans; (ii) Stone Tower Structured Credit Recovery Master Fund Ltd., together with its two feeder funds, Stone Tower Structured Credit Recovery Fund LP (“Structured Credit Recovery Onshore Fund”) and Stone Tower Offshore Structured Credit Recovery Fund Ltd.), which invests primarily in CLOs, CMBS and RMBS; (iii) Apollo Structured Credit Recovery Master Fund II Ltd. (f/k/a Stone Tower Structured Credit Recovery

Master Fund II Ltd.), together with its two feeder funds, Apollo Structured Credit Recovery Fund II L.P. (f/k/a Stone Tower Structured Credit Recovery Fund II LP) (“Structured Credit Recovery Onshore Fund II”) and Apollo Offshore Structured Credit Recovery Fund II Ltd. (f/k/a Stone Tower Offshore Structured Credit Recovery Fund II Ltd.), which invests primarily in CLOs, CMBS and RMBS; (iv) Stone Tower Credit Solutions Master Fund Ltd, together with its two feeder funds, Stone Tower Credit Solutions Fund LP (“Credit Solutions Onshore Fund”) and Stone Tower Credit Solutions Fund Ltd), which invests primarily in private financings and stressed debt; (v) Apollo Credit Strategies Master Fund Ltd. (f/k/a Stone Tower Credit Strategies Master Fund Ltd.), together with its two feeder funds, Apollo Credit Strategies Fund LP (f/k/a Stone Tower Credit Strategies Fund LP) (“Credit Strategies Onshore Fund”) and Apollo Offshore Credit Strategies Fund Ltd. (f/k/a Stone Tower Offshore Credit Strategies Fund Ltd.), which invests primarily in private financings and stressed debt; (vi) Stone Tower Loan Value Recovery Fund LP, which invests primarily in leveraged loans; and (vii) and a number of separately managed accounts which invest primarily in leveraged loans, high yield bonds, stressed and distressed debt, and private financings.

(10) Apollo SVF Management, L.P.: Apollo SVF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Strategic Value Master Fund, L.P., a private securities investment fund (together with its two feeder funds, Apollo Strategic Value Fund, L.P., and Apollo Strategic Value Offshore, Ltd., “SVF”). Apollo SVF Management, L.P. also acts as investment manager to: Apollo Special Opportunities Managed Account, L.P. (“SOMA”), a private securities investment fund to a certain single investor managed account pursuant to specifically negotiated investment limitations; and Permal Apollo Value Investment Fund, Ltd. (“Permal”), a business company with limited liability formed under the laws of the British Virgin Islands. SVF, SOMA, and Permal primarily invest in the securities of leveraged companies in North America and Europe through distressed investments, value driven investments and special opportunities.

(11) Apollo Investment Management, L.P.: Apollo Investment Management, L.P. is a Delaware limited partnership that is registered as an investment adviser with the SEC. It acts as the investment manager to Apollo Investment Corporation (“AIC”). AIC is a closed-end, non-diversified investment company that has filed an election to be treated as a business development company under the Investment Company Act. AIC primarily invests in mezzanine debt, and other debt and equity securities of companies located in the United States.

(12) Apollo Value Management, L.P.: Apollo Value Management, L.P. is a Delaware limited partnership that is registered with the SEC as an investment adviser. It acts as the investment manager to Apollo Value Investment Master Fund, L.P. (together with its two feeder funds, Apollo Value Investment Fund, L.P. and Apollo Value Investment Offshore Fund, Ltd., the “Value Fund”). The Value Fund primarily invests in the securities of leveraged companies in North America and Europe through distressed investments, value-driven investments and special opportunities.

(13) Apollo Asia Management, L.P.: Apollo Asia Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Asia Opportunity Master Fund, L.P., a private securities investment fund (together with its two feeder funds, Apollo Asia Opportunity Fund, L.P. and Apollo Asia Opportunity Offshore Fund, Ltd., and its wholly-owned subsidiary

Apollo Asia Opportunity Master Fund Trading Ltd., the “Asia Fund”). Apollo Management Singapore Pte Ltd., a Singapore company, acts as a sub-adviser to Apollo Asia Management, L.P. The Asia Fund primarily invests in strategic and event-driven investment opportunities through investments in the debt and equity securities of middle market and large companies located in Asia.

(14) Apollo Europe Management, L.P.: Apollo Europe Management, L.P. is a Delaware limited partnership that acts as investment manager to AP Investment Europe Limited, a Guernsey limited company and Apollo Investment Europe II, L.P. (together, “AIE”). AIE primarily invests in the mezzanine debt, other debt and equity investments in European companies.

(15) Apollo EPF Management, L.P.: Apollo EPF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund, L.P., a Cayman Islands exempted limited partnership, and to its feeder fund Apollo European Principal Finance Fund (Feeder), L.P. (together, “EPF”). EPF invests principally in European non-performing loans.

(16) Apollo EPF Management II, L.P.: Apollo EPF Management II, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund II, L.P., a Cayman Islands exempted partnership, and to its feeder funds or other parallel funds that may be established (together, “EPF II”).

(17) Apollo Credit Liquidity Management, L.P.: Apollo Credit Liquidity Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Credit Liquidity Fund, L.P., (“CLF”), a private securities investment fund. CLF invests primarily in senior secured debt and a broad range of other subordinated debt and debt related investments.

(18) Apollo/Artus Management, LLC: Apollo/Artus Management, LLC is a Delaware limited liability company. It acts as the public-side investment adviser to the private securities investment funds, Artus Loan Fund 2007-I, Ltd. and Artus Loan Fund 2007-I, LLC, (collectively, the “Artus Loan Funds”). The Artus Loan Funds primarily invest in U.S. dollar-denominated commercial loans.

(19) Apollo Credit Opportunity Management, LLC: Apollo Credit Opportunity Management, LLC is a Delaware limited liability company. It acts as investment manager to Apollo Credit Opportunity Fund I, L.P. and Apollo Credit Opportunity Fund II, L.P. (collectively, the “Credit Opportunity Funds”). The Credit Opportunity Funds primarily invest in senior secured debt instruments including bank loans and bonds, public and private debt, such as debtor-in-possession financings, bridge financings and other debt-related securities portfolios.

(20) Apollo Management International LLP: Apollo Management International LLP is an English limited liability partnership, which serves as a non-discretionary sub-adviser to certain Apollo Capital Markets Managers, Apollo Private Equity Managers, and Apollo Real Estate Managers. Apollo Management International LLP is regulated by the United Kingdom Financial Services Authority (“FSA”).

(21) Apollo Credit Management (Senior Loans), LLC: Apollo Credit Management (Senior Loans), LLC is a Delaware limited liability company. It acts as investment manager to Apollo/Palmetto Loan Portfolio, L.P., Apollo Credit Senior Loan Fund, L.P., and Apollo/JH Loan Portfolio, L.P. (collectively, the “Loan Portfolio Funds”). Each Loan Portfolio Fund will be comprised of a diversified portfolio generally consisting of performing senior secured floating rate loans and non-first lien fixed income investments and other income generating fixed income investments, including, but not limited to, senior secured bonds.

(22) Apollo Credit Management, LLC: Apollo Credit Management, LLC is a Delaware limited liability company that is registered with the SEC as an investment adviser. It acts as investment manager to Apollo Senior Floating Rate Fund Inc., a Maryland corporation that is registered with the SEC as a closed-end, non-diversified investment company under the Investment Company Act.

(23) AAM: AAM is a Delaware limited liability company that acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding, certain reinsurance accounts related to such subsidiaries and certain unrelated third party insurance companies. AAM, either directly or through the use of subadvisers, including certain Apollo Managers invests primarily in fixed income and alternative investments.

(24) Apollo Credit Management (CLO), LLC: Apollo Credit Management (CLO), LLC is a Delaware limited liability company that serves as collateral manager to certain Apollo-sponsored special purpose vehicles formed to acquire subordinated notes, collateralized loan obligation assets, and posted collateral.

(25) Financial Credit Investment I Manager, LLC: Financial Credit Investment I Manager, LLC is a Delaware limited liability company (“FCI”) that serves as investment manager for Financial Credit Investment I, L.P., a Cayman Islands limited partnership that invests in portfolios of life insurance policies that insure the lives of natural persons.

(26) Apollo Longevity, LLC: Apollo Longevity, LLC is a Delaware limited liability company that serves as sub-adviser, and provides non-discretionary investment advice, to AAM and RWN Management, LLC.

(27) ARM Manager, LLC: ARM Manager, LLC is a Delaware limited liability company that serves as the manager and adviser to Apollo Residential Mortgage, Inc., a residential real estate finance company formed primarily to invest in, finance and manage mortgage-backed securities, residential mortgage loans and other residential mortgage assets in the United States. Apollo Residential Mortgage, Inc. is listed on the New York Stock Exchange under the symbol “AMTG.”

(28) Apollo Centre Street Management, LLC: Apollo Centre Street Management, LLC, a Delaware limited liability company that serves as the investment manager for Apollo Centre Street Partnership, L.P., a Delaware limited partnership formed for a strategic partnership with a state pension fund.

(29) Apollo European Credit Management, L.P.: Apollo European Credit Management, L.P. is a Delaware limited partnership that serves as the investment manager for Apollo European

Credit Fund, L.P., a Delaware limited partnership that invests in a variety of fixed income investment opportunities in Europe.

(30) Apollo European Strategic Management, L.P.: Apollo European Strategic Management, L.P. is a Delaware limited partnership that serves as the investment manager for Apollo European Strategic Investments (Holdings), L.P., a Cayman Islands limited partnership formed for a strategic partnership with a sovereign wealth fund.

(31) Apollo SPN Management, LLC: Apollo SPN Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo SPN Investments I, L.P., Apollo SPN Investments II, L.P. and Apollo SPN Investments III, L.P., Cayman Islands limited partnerships formed for a strategic partnership with a state pension fund.

(32) Gulf Stream Asset Management, LLC (“GSAM”): GSAM is a limited liability company organized under the laws of the state of North Carolina. GSAM is registered with the SEC as an investment adviser and provides discretionary investment advisory services to, and serves as collateral manager for, special purpose vehicles that issue CLOs. GSAM provides investment advice to the CLOs regarding institutional leveraged loans, high yield debt, corporate debt, structured credit products, derivatives, private debt securities and other loans, credit or debt instruments.

(33) AION Capital Management Limited: AION Capital Management Limited is a private Mauritius company limited by shares that serves as the investment manager to Apollo Capital Partners Limited. AION Capital Management Limited is a wholly owned subsidiary of Apollo India Credit Opportunity Management, LLC, which is a limited liability company incorporated under the laws of Delaware. Apollo India Credit Opportunity Management, LLC is 100% owned by Apollo Capital Management.

(34) Apollo SK Strategic Management, LLC: Apollo SK Strategic Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo SK Strategic Investments, L.P., a Cayman Islands limited partnership formed for a strategic partnership.

(35) Apollo Capital Management: Apollo Capital Management is a Delaware limited partnership that is registered with the SEC as an investment adviser. It controls the Apollo Capital Markets Managers listed in (9) through (34) above. In addition, Apollo Capital Management has been engaged by AAM to serve as sub-manager to one or more accounts to be designated by certain affiliated and unaffiliated third party insurance companies.

As supervised persons of Apollo Capital Management, the Apollo Capital Markets Managers intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Capital Markets Managers and other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Capital Management. The Apollo Capital Markets Managers that are not separately registered with the SEC as investment advisers are relying on Apollo Capital Management’s registration under the Advisers Act, are each “relying advisers” pursuant to SEC staff guidance, and are not registering themselves.

The Apollo Commodities Manager is:

(36) Apollo Commodities Management, L.P.: Apollo Commodities Management, L.P. is a Delaware series limited partnership that is registered with the SEC as an investment adviser. Apollo Commodities Management, L.P. Series I serves as the investment manager of Apollo Natural Resources Partners, L.P. Each series of Apollo Commodities Management, L.P. will act as the investment manager of different funds and/or accounts.

The Apollo Real Estate Managers are:

(37) Apollo Global Real Estate Management, L.P. (“AGREM”): AGREM is a Delaware limited partnership that is registered with the SEC as an investment adviser. It controls the investment managers set forth in (38) through (52) below. In addition, AGREM has been engaged by AAM to serve as sub-manager to one or more accounts as may be designated by certain affiliated and unaffiliated third party insurance companies.

(38) ACREFI Management, LLC (“ACREFI”): ACREFI is a Delaware limited liability company that serves as the investment manager to Apollo Commercial Real Estate Finance, Inc. (“ARI”), a real estate finance company that has elected to qualify and be taxed as a real estate investment trust for United States federal income tax purposes. ARI was formed primarily to originate, invest in, acquire, and manage senior performing commercial real estate mortgage loans (loans on which the borrower is in substantial compliance with the terms of the loan agreement), commercial mortgage-backed securities, commercial real estate corporate debt and loans, and other commercial real estate-related debt investments in the United States.

(39) AGRE CMBS Management LLC (“CMBS Management”): CMBS Management is a Delaware limited liability company. It serves as investment manager to a managed account that was formed to target investments in commercial mortgage-backed securities eligible for funding under the Federal Reserve’s Term Asset-Backed Securities Loan Facility. CMBS Management may also serve as investment manager to additional managed accounts in the future.

(40) AGRE CMBS Management II LLC (“CMBS Management II”): CMBS Management II is a Delaware limited liability company. It serves as investment manager to, and provides non-discretionary investment advice to, the 2011 A4 Fund, L.P. (formerly AGRE CMBS Fund II L.P.), a Delaware limited partnership formed to target investments in certain eligible collateralized mortgage backed securities and/or short-term fixed-income investments.

(41) AGRE-CRE Debt Manager, LLC (“AGRE-CRE”): AGRE-CRE is a Delaware limited liability company that serves as investment manager to, and provides non-discretionary advice to, AGRE Debt Fund I, L.P. (Cayman). AGRE Debt Fund I, L.P. (Cayman) invests in commercial real estate property specific subordinate debt.

(42) AGRE NA Legacy Management, LLC (“AGRE NA Legacy”): AGRE NA Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners North America LP, CPI Capital Partners North America Offshore LP, CPI Capital Partners North America Offshore (Cayman), L.P., CPI Capital Partners North America Offshore (WT), LP, and CPI NA Co-Invest LP, a collection of parallel funds. The funds pursue opportunistic real estate and real estate-related investments throughout North America.

- (43) AGRE NA Management, LLC (“AGRE NA”): AGRE NA is a Delaware limited liability company. It acts as investment manager to AGRE U.S. Real Estate Fund, L.P., which pursues investment opportunities to recapitalize, restructure and acquire real estate assets, portfolios and companies primarily in the United States.
- (44) AGRE Asia Pacific Legacy Management, LLC (“AGRE Asia Legacy”): AGRE Asia Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners Asia Pacific, L.P. CPI Capital Partners Asia Pacific, L.P. is a closed-end fund, which pursues opportunistic real estate and real estate-related investments throughout the Asia Pacific region.
- (45) AGRE Asia Pacific Management, LLC (“AGRE Asia”): AGRE Asia is a Delaware limited liability company. It serves as investment manager to AGRE Asia Pacific Real Estate Fund, L.P., which pursues opportunistic real estate and real estate-related investments to recapitalize, restructure and acquire real estate assets, portfolios, operating platforms and companies throughout the Asia Pacific region.
- (46) AGRE Europe Legacy Management, LLC (“AGRE Europe Legacy”): AGRE Europe Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners Europe, L.P. and CPI Capital Partners Europe (NFR), L.P. CPI Capital Partners Europe, L.P. and CPI Capital Partners Europe (NFR), L.P. are parallel funds which pursue opportunistic real estate and real estate-related transactions in France.
- (47) AGRE Europe Management, LLC (“AGRE Europe”): AGRE Europe is a Delaware limited liability company. It serves as the investment manager to Apollo GSS Holdings (Cayman), L.P., a Cayman Islands limited partnership.
- (48) AGRE-E Legacy Management, LLC (“AGRE-E”): AGRE-E is a Delaware limited liability company. It serves as sub-advisor to certain real estate investment mandates for which Citigroup Alternative Investments LLC serves as general partner, co-general partner, manager, advisor and/or administrator. AGRE-E also serves as asset manager of a portfolio, wholly-owned by Citigroup Alternative Investments LLC, consisting of real estate and real estate-related assets and certain shareholder, membership and limited partner interests in real estate investment vehicles.
- (49) AGRE-E2 Legacy Management, LLC (“AGRE-E2”): AGRE-E2 is a Delaware limited liability company. AGRE-E2 also serves as asset manager of a portfolio, wholly-owned by Citigroup Alternative Investments LLC, consisting of real estate and real estate-related assets and certain shareholder, membership and limited partner interests in real estate investment vehicles.
- (50) CPI CEE Management LLC (“CPI CEE”): CPI CEE is a Delaware limited liability company. It serves as managing shareholder to CPI CEE Limited, CPI CEE Co-Invest Ltd., CPI CEE Co-Invest 2 Ltd, and CPI CEE Co-Invest 3 Ltd, a collection of parallel funds. The funds invest in Atrium European Real Estate Limited, a leading real estate investor/developer in Central and Eastern Europe and the Commonwealth of Independent States, focused on retail properties.

(51) 2012 CMBS-I Management, LLC: 2012 CMBS-I Management, LLC (“2012 CMBS-I”) is a Delaware limited liability company. It serves as investment manager to, and provides non-discretionary investment advice to 2012 CMBS-I Fund, L.P., a Delaware limited partnership formed to target investments in certain eligible collateralized mortgage backed securities and/or short-term fixed-income investments.

(52) 2012 CMBS-II Management LLC: 2012 CMBS-II Management LLC (“2012 CMBS-II”) is a Delaware limited liability company. It serves as investment manager to, and provides non-discretionary investment advice to 2012 CMBS-II Fund, L.P., a Delaware limited partnership formed to target investments in certain eligible collateralized mortgage backed securities and/or short-term fixed-income investments.

As supervised persons of AGREM, ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2, CPI CEE, 2012 CMBS-I and 2012 CMBS-II intend to conduct their activities in accordance with the Advisers Act, and the rules thereunder. Any employees of such Apollo Real Estate Managers, and any other persons acting on their behalf, are and shall be subject to the supervision and control of AGREM. ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2, CPI CEE, 2012 CMBS-I and 2012 CMBS-II are relying on AGREM’s registration under the Advisers Act and are not registering themselves.

Certain inherent conflicts of interest arise from the fact that: (1) Apollo ST Debt Advisors will provide investment management services to more than one Client; (2) Clients may have one or more overlapping investment objectives; and (3) Apollo ST Debt Advisors is affiliated with other Apollo Managers that provide investment management services to Apollo Funds that also may have overlapping investment objectives. Also, the portfolio strategies employed by Apollo ST Debt Advisors for current and future Clients and by Apollo Managers for other Apollo Funds could conflict with the strategies employed by Apollo ST Debt Advisors for current and future Clients, and may affect the prices and availability of the securities and other assets in which such Clients invest. Certain Clients have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Client. In such case, participation in such opportunities will be allocated pursuant to Apollo ST Debt Advisors’ allocation policy and procedures as further discussed in Item 6. Such considerations may result in allocations of certain investments among the Clients of Apollo ST Debt Advisors and certain other Apollo Funds on an other than *pari passu* basis.

Additional conflicts of interest may arise because Apollo partners and principals (including Apollo ST Debt Advisors personnel) may serve as directors of the companies in which Apollo Funds invest. In addition to any fiduciary duties the Apollo partners and principals owe to the Apollo Funds, as directors of portfolio companies, these Apollo partners and principals owe fiduciary duties to the shareholders of the portfolio companies, which in many cases are the Apollo Funds, and to persons other than Clients. In general such director positions are often important to Clients’ (and any other Apollo Funds with an investment focus on private equity) investment strategies. However, such positions may have the effect of impairing the ability of Apollo ST Debt Advisors to sell the related securities when, and upon the terms, it may

otherwise desire. In addition, such positions may place the Apollo partners and principals in a position where they must make a decision that is either not in the best interests of Clients or not in the best interests of the shareholders of the portfolio company. Should an Apollo partner or principal make a decision that is not in the best interest of the shareholders of a portfolio company, such decision may subject Apollo ST Debt Advisors and its Clients to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, Clients will indemnify Apollo ST Debt Advisors and its partners and principals from such claims. In addition, because of the potential conflicting fiduciary duties, Apollo ST Debt Advisors may be restricted in choosing investments for Clients, which could negatively impact returns received by Clients.

Apollo ST Debt Advisors and its personnel may have conflicts in allocating their time and services among Clients. Apollo ST Debt Advisors personnel may provide services to other Apollo Funds and Apollo's other existing and potential business activities. None of the Clients will have an interest in such investments or other investment funds organized or sponsored by Apollo ST Debt Advisors or Apollo. It is possible that the investments held by such other Apollo Funds may be competitors of the Clients.

A principal or employee of Apollo ST Debt Advisors or the other Apollo Managers or a related person may, from time to time, serve as a director or acquire observer rights with respect to portfolio companies, the securities of which are purchased on behalf of the Clients. In the event Apollo ST Debt Advisors, another Apollo Manager, or a related person: (i) obtains material non-public information in such capacity with respect to any such company or (ii) is subject to trading restrictions pursuant to the internal policies of such company, Apollo ST Debt Advisors and the other Apollo Managers may be prohibited from engaging in transactions with respect to the securities or instruments of such company. Such a prohibition may have an adverse effect on Clients.

Apollo currently operates without ethical screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from Apollo's decision not to implement such screens, Apollo maintains a Code of Ethics, as described in Item 11 and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures. In addition, Apollo's Chief Compliance Officer maintains a list of restricted securities as to which Apollo may have access to material non-public information and in which Apollo Funds are not permitted to trade. In the event that any employee of Apollo obtains such material non-public information, Apollo ST Debt Advisors may be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Apollo ST Debt Advisors, or one of its investment professionals, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on Apollo ST Debt Advisors' reputation, result in the imposition of regulatory or financial

sanctions, and as a consequence, negatively impact Apollo ST Debt Advisors' ability to perform its investment management services on behalf of Clients. In addition, while Apollo currently operates on an integrated basis without information barriers, Apollo could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, Apollo's ability to operate as an integrated platform could also be impaired, which would limit Apollo ST Debt Advisors' access to Apollo personnel and impair its ability to manage Clients' investments in the manner it currently manages investments.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Apollo ST Debt Advisors, its affiliates, and their personnel. Apollo ST Debt Advisors will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Apollo ST Debt Advisors' affiliates may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, are held by, or may fall within the investment guidelines of Clients. Apollo ST Debt Advisors' affiliates may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for Clients. Potential conflicts also may arise due to the fact that Apollo ST Debt Advisors' affiliates may have investments in some Apollo Funds but not in others or may have different levels of investments in the various Apollo Funds, and that each of the Apollo Funds may pay different levels of fees.

Apollo, together with the Apollo Funds, engages in a broad range of business activities and invests in portfolio companies whose operations may be substantially similar to and/or competitive with the portfolio companies in which Clients have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of a Client's portfolio companies, and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Apollo will seek to resolve conflicts in a manner that Apollo determines in its sole discretion to be fair and equitable.

In addition, Apollo ST Debt Advisors or another Apollo Manager may give advice or take action with respect to the investments of one or more Clients that may not be given or taken with respect to other Apollo Funds with similar investment programs, objectives, and strategies. Accordingly, Apollo Funds with similar strategies may not hold the same securities or instruments or achieve the same performance. Apollo ST Debt Advisors or another Apollo Manager also may advise Apollo Funds with conflicting investment objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients.

AAM

AAM is affiliated with Apollo ST Debt Advisors and controlled by Apollo. Certain members of AAM's management, including its Chief Executive Officer, have equity ownership interests in both AAM and Athene Holding and may also be officers of Athene Holding and/or its

subsidiaries (together, the “Athene Group”). AAM acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding, certain reinsurance accounts related to such subsidiaries and certain unrelated third party insurance companies. AAM, either directly or through the use of subadvisers, including Apollo, invests primarily in fixed income and alternative investments.

Pursuant to the terms of an investment management agreement, AAM currently charges subsidiaries of Athene Holding monthly management fees that are based on a percentage of assets under management (“Athene Management Fee”). The Athene Management Fee is generally payable to AAM monthly or quarterly in arrears. Athene Holding has also agreed to reimburse AAM for any financial losses incurred to the extent that any such reimbursed amounts, together with all Athene Management Fees paid by Athene Holding directly or indirectly, do not exceed certain thresholds. In addition to the Athene Management Fee, AAM allocates certain AAM employee expenses to Athene Holding or its subsidiaries for services provided by such employees and investment management services, such as risk management, corporate governance, executive management, marketing and information technology services. From time to time, subsidiaries of Athene Holding may agree to amend the Athene Management Agreement, which may include paying AAM higher management fees and/or entering into similar arrangements with other Apollo Managers. Moreover, as further described below, Apollo may be able to cause Athene Holding to agree to raise AAM’s fees with respect to Athene Holding and/or its subsidiaries. Such amendments or similar arrangements would be subject to the Conflicts Test (as described below).

In addition to the Athene Management Fee, AAM generally has the authority to hire sub-advisers and to agree to the fees and other remuneration payable to such sub-advisers (subject to the Conflicts Test). In connection therewith, AAM has hired certain Apollo Managers to act as sub-advisers for certain asset classes and may hire additional Apollo Managers in the future with respect to other asset classes (subject to the Conflicts Test). In connection with such services, certain Apollo Managers receive sub-advisory fees payable by the Athene Group.

AAM may also provide discretionary investment advisory services to certain third party insurance companies that are not affiliated with Apollo. Fees charged by AAM to such unaffiliated insurance companies are individually negotiated and established pursuant to each company’s investment management agreement. Such companies may or may not agree to allow AAM to appoint sub-advisers and/or may not agree to pay for the additional fees and/or expenses of such sub-advisers. To the extent that Clients do not permit AAM to use sub-advisers and/or to pay the fees and expenses of any such sub-adviser, AAM may manage the Client’s account without the use of sub-advisers, including Apollo affiliated investment advisers. As a result, such Client’s asset allocation and performance may differ materially from Clients that agree to pay the fees and expenses of such sub-advisers.

Members of the Athene Group have invested in, and in the future may also invest in alternative investments including Apollo Funds. Examples of existing investments in Apollo Fund investments include: two leveraged commercial mortgage backed securities vehicles; a life-settlements fund; a European senior debt fund; a vehicle focusing on Asian micro-loans; a vehicle formed to acquire prime London real-estate; and the equity tranches of two collateralized

loan obligation issuers. Apollo will be entitled to receive various forms of consideration with respect to each fund, including management fees, portfolio fees, closing fees, carried interest and/or employment expense reimbursement.

Affiliates of Apollo may also advise members of the Athene Group on certain proposed financial transactions, acquisitions, and other matters related to their strategic interests and will receive fees as consideration for such services pursuant to the terms of a transaction services agreement (“Services Agreement”). Pursuant to such Services Agreement, members of the Athene Group have agreed jointly and severally to pay a quarterly fee based on a percentage of the capital and surplus of Athene Holding (exclusive of certain reimbursements for out-of-pocket expenses) plus a percentage of the aggregate consideration for value paid or provided by Athene Holding and/or its subsidiaries in connection with the closing of any merger, acquisition or similar transaction. In addition, affiliates of Apollo may be entitled to receive a closing fee from Athene Holding equal to a percentage of the amount set forth in each capital call notice delivered to investors under the subscription agreements for certain shareholders of Athene Holding. Upon a qualified initial public offering or a sale, Athene Holding shall jointly pay affiliates of Apollo a lump-sum amount equal to the net present value of any remaining quarterly advisory fees owed from the date of such qualified initial public offering or sale, as applicable, until the expiration of the term of the Services Agreement.

Due to the voting structure of Athene Holding and because certain employees of Apollo control a vehicle that holds the non-economic, voting shares of Athene Holding and that possesses one hundred percent (100%) of the voting control over Athene Holding, including control of its Board of Directors, the potential exists for Apollo to cause members of the Athene Group to enter into transactions that may benefit Apollo (including AAM) at the possible detriment to Athene Holding’s shareholders. In order to mitigate any potential conflicts of interest that may arise, the Third Amended and Restated Shareholders Agreement of Athene Holding (the “Shareholders Agreement”) requires the creation of a conflicts committee (“Conflicts Committee”). The purpose of the Conflicts Committee is to provide consent, if appropriate, to certain conflicts of interest regarding transactions involving Athene Holding and/or its subsidiaries and Apollo and its affiliates, including AAM. The Conflicts Committee consists of the Chief Executive Officer of Athene Holding and AAM, the Chief Executive Officer of Athene Life Re Ltd., a subsidiary of Athene Holding, an independent director and two directors designated by investors controlled by Apollo. The two members of the Conflict Committee designated by Apollo represent the interests of two Athene Holding institutional investors. Nevertheless, Apollo’s ability to designate Conflict Committee members may significantly influence the Conflicts Committee with respect to Athene Holding businesses that may compete directly with or do business with Apollo businesses.

Not all potential Apollo conflicts are subject to the approval of the Conflicts Committee (for example, non-material transactions or transactions that are less likely to be on terms that are less advantageous to the Athene Group than can be obtained through arms-length negotiations are not required to be reviewed by the Conflicts Committee). However, the Amended and Restated By-Laws of Athene Holding require that entering into new (or amending existing) transactions between Apollo (and its subsidiaries) and Athene Holding (and its subsidiaries) be, at the time such transaction is approved, (i) fair and reasonable, taking into account the totality of the

relationship between the parties involved (including other transactions that may be or have been particularly favorable or advantageous to the Athene Group), or (ii) on an arms-length basis, or (iii) approved by the disinterested directors of Athene Holding, or (iv) approved by the holders of a majority of the issued and outstanding Class A common shareholders of Athene Holding, or (v) approved by the Conflicts Committee (the “Conflicts Test”). Additionally, Athene Holding must maintain a log of all contracts, agreements and arrangements that its board of directors, acting in its sole discretion, deems to involve a potential conflict of interest with Apollo, and shareholders may review such log from time to time upon reasonable request.

Because certain Apollo Funds and portfolio companies have similar investment programs and/or engage in similar business objectives and strategies as Athene Holding, Apollo may identify opportunities that are appropriate and fall within the investment or business objectives of Athene Holding as well as the Apollo Funds and portfolio companies.

To the extent that the Apollo Funds may pay higher fees and/or carried interest to Apollo, Apollo may be incentivized to allocate investment opportunities to such Apollo Funds. With respect to the categories of investments which are managed by Apollo, Apollo will make such investments in accordance with Apollo’s allocation policies as then in effect from time to time, which allocation policies are intended to satisfy Apollo’s fiduciary duties to all of its Clients under the Advisers Act.

Apollo Funds may engage in cross trades (as defined below) with the Athene Group. In addition, AAM may effect cross trades between its Clients from time to time, including between different members of the Athene Group, between a member of the Athene Group and an unaffiliated third party client, between unaffiliated third party clients and/or between AAM’s Clients and Apollo Clients. The potential conflicts of interest associated with such cross trades are addressed in Item 11.

From time to time, there may be different investment teams for AAM and Apollo respectively investing in the same strategies for different Clients. Where Apollo Managers source investment opportunities, allocations of such investment opportunities are made across all suitable Clients. However, where Athene investment teams, including employees of AAM, source a particular investment opportunity, AAM and Apollo investment teams function independent of each other and do not share investment opportunities. As a result, in certain situations Clients may compete for the same investment opportunities, potentially disadvantaging the competing Clients. These situations deviate from the general allocation policies described in Item 6.

In addition, certain Apollo Funds may own the same securities and other financial instruments that AAM has selected for its Clients. The Apollo Funds may acquire such securities at different times and/or different prices than Athene Holding and its subsidiaries or other AAM Clients and may acquire different classes of securities of the same issuer (e.g., an Apollo Fund owns subordinated debt and an AAM Client owns senior debt in an issuer). Apollo and its affiliates may also make investments that are contrary to the investments made by Athene Holding and its subsidiaries and/or other AAM Clients (e.g., Apollo may take a short position in a security in which Athene Holding or such other AAM Client holds a long position). This may give rise to

conflicts of interest regarding the management strategy taken toward such securities held by Athene Holding or such other AAM Clients and the Apollo Funds.

Similarly, certain AAM Clients may acquire the same securities and financial instruments at different times and/or different prices and may acquire different classes of securities of the same issuer. Certain AAM Clients may also make investments that are contrary to the investments made by other AAM Clients. This may also create conflicts of interest regarding the management strategy taken toward such securities held by such AAM Clients.

Other Related Persons

Related persons of Apollo ST Debt Advisors may serve as sponsors or syndicators of limited partnerships. Apollo, and certain affiliates of Apollo, serve as general partners of Apollo Funds and are regularly engaged in the business of sponsoring pooled investment vehicles and separately managed accounts. Conflicts of interest associated therewith are discussed above.

Since participation in specific investment opportunities may be appropriate, at times, for more than one Client and for other Apollo Funds, Apollo has established policies and procedures for allocating investment opportunities among the Clients, the Apollo Managers and the Apollo Funds. The procedures have been adopted to ensure that each Client and Apollo Fund is treated in a manner that, over time, is fair and equitable and to take into account the fact that Clients and Apollo Funds tend to have broad investment mandates that may overlap. Please see Item 6 for a more detailed description of Apollo's policies for allocating investment opportunities.

ITEM 11

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics.

Apollo and the Apollo Managers, including Apollo ST Debt Advisors, have adopted a Code of Ethics (the "Code") designed to ensure compliance with Rule 204A-1 under the Advisers Act. The Code applies to all partners, principals, directors, officers, employees and supervised persons of Apollo (each a "Covered Person"). Apollo ST Debt Advisors and the other Apollo Managers strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, the Code incorporates the following general principles that all Covered Persons are expected to uphold:

- (i) Covered Persons must at all times place the interests of the Apollo Funds first;
- (ii) all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of a Covered Person's position of trust and responsibility must be avoided;
- (iii) Covered Persons must not take inappropriate advantage of their positions;
- (iv) information concerning the identity of securities and financial circumstances of the Apollo Funds, including investors in Apollo Funds, must be kept confidential; and

- (v) independence in the investment decision-making process must be maintained at all times.

Finally, Covered Persons are required to comply with applicable federal securities laws at all times.

Personal Trading Restrictions.

The Code requires that Covered Persons' personal investment activities comply with all applicable laws and regulations. In addition, Covered Persons are required to obtain prior approval for all securities transactions, other than those involving: US Government and municipal securities; exchange-traded funds and closed-end funds; mutual funds (i.e. open ended investment companies); variable annuities; and transactions in fully-managed accounts where Covered Persons or other Relevant Persons (as defined below) significantly contribute. Covered Persons are prohibited from purchasing securities in initial public offerings.

The Code provides that approval will generally not be granted for securities of companies on Apollo's Restricted List. Further, approval will generally not be granted for proposed securities transactions in securities of companies with a market capitalization for the outstanding equity on the date of trade of more than \$100 million and less than \$10 billion. This "market-capitalization band" may be changed from time to time.

Personal Securities Holdings and Transaction Reports.

Subject to limited exceptions, each Covered Person must periodically submit to the Compliance Officer a report of the holdings in the accounts in which the following persons have a direct or indirect beneficial ownership interest or over which the following persons exercise any investment control, influence or discretion: (i) the Covered Person, (ii) any member of the Covered Person's immediate family who resides with the Covered Person or to whose support the Covered Person significantly contributes, which may include the Covered Person's spouse, children, stepchildren, grandchildren, parents, grandparents, stepparents, siblings, persons with whom a Covered Person has an adoptive or in-law relationship or (iii) any other person who may reside with a Covered Person or to whose support a Covered Person significantly contributes. (Each individual identified in clauses (ii) and (iii), a "Relevant Person")

The holdings reports must contain, at a minimum: (i) the title and type of security, and, as applicable, the exchange ticker symbol or CUSIP number, number of shares and principal amount of each reportable security in which the Relevant Persons have any direct or indirect beneficial ownership; (ii) the name of any broker, dealer or bank with which the Relevant Persons maintain an account in which any securities are held for the Relevant Person's direct or indirect benefit; (iii) if securities are held other than with a broker, dealer or bank, the location of the securities; and (iv) the date that the Covered Person submits the report to the Compliance Officer.

Each Covered Person must also send to the broker-dealer(s) or financial institution(s) carrying each account a letter authorizing and directing that it forward duplicate monthly statements, as

well as any other information or documents as Apollo ST Debt Advisors' Compliance Officer may request, directly to Apollo ST Debt Advisors.

The Code requires each Covered Person to prepare or certify, on at least an annual basis, reports of securities holdings and transactions. Covered Persons may submit monthly account statements instead of providing the above described holdings report.

Material, Non-Public Information.

The Code includes policies and procedures concerning "inside information" (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Covered Persons are required to certify to their compliance with the Code, including the Insider Trading Policies, on a periodic basis. The Insider Trading Policies prohibit Apollo ST Debt Advisors, other Apollo Managers and Covered Persons from trading for Clients or themselves, or recommending trading, in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it.

By reason of their various activities, Apollo Managers may have access to Inside Information and, as a result, be restricted from effecting transactions in certain investments that might otherwise have been initiated. For example, there may be certain cases where the Apollo Managers or their personnel receive Inside Information due to their various activities on behalf of Apollo Funds, which could result in either limited liquidity or in Apollo ST Debt Advisors or its personnel being prohibited from using such information for the benefit of Apollo Funds. The Apollo Managers seek to minimize those cases whenever possible, consistent with applicable law and the Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Other Provisions of the Code.

Covered Persons are subject to additional standards of conduct relating to the use of funds and property, conflicts of interest and opportunities belonging to the Apollo Funds, managing investments of related parties, and general standards of conduct including the conduct expected when dealing with Apollo Funds and the investors in Apollo Funds. In addition, Covered Persons are subject to Apollo's Anti-Money Laundering procedures. Covered Persons are required to certify periodically that they have complied with the terms of the Code. Violations of the Code are subject to the imposition of sanctions, up to and including termination.

A copy of the Code will be provided to any Client or prospective Client upon request.

Apollo ST Debt Advisors and its personnel do not purchase any securities for their own accounts from, or sell any securities for their own accounts to, Apollo Funds. However, from time to time, subject to applicable Client investment guidelines and restrictions, Apollo ST Debt Advisors may direct one Client to sell securities to another Client through an internal cross transaction. These "cross transactions" also may occur with other Apollo Funds. Cross trades may be executed with the assistance of a broker-dealer or as an "internal cross" where the Clients' custodian(s) is instructed to book the transaction at a price determined in accordance with

Apollo's valuation policies. No fees will be charged to Clients in connection with the completion of a cross trade. Cross trades may be viewed as principal transactions due to the ownership interest in the Client by Apollo ST Debt Advisors and its personnel.

Cross transactions and principal transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value. In addition, Apollo ST Debt Advisors could use its investment authority to transfer unappealing securities from one Client to another Client.

To the extent that any such cross transaction may be viewed as a principal transaction due to the ownership interest in the Client by Apollo ST Debt Advisors and its personnel, Apollo ST Debt Advisors will comply with the requirements of Section 206(3) of the Advisers Act and its internal policies and procedures. Specifically, Apollo ST Debt Advisors' investment professionals must provide notice to, and obtain the approval of, the Chief Compliance Office or designee and a member of the legal department, prior to executing a principal trade or cross trade. When reviewing a proposed principal trade or cross trade, the Chief Compliance Officer or designee shall confirm, among other things: (i) that such trade is allowed by the applicable Client's investment guidelines, (ii) that Apollo ST Debt Advisors' valuation procedures were followed when pricing the transaction, including obtaining a third-party valuation when appropriate, and (iii) in the case of principal trades, that notice of the specific trade was provided to the Client and written consent from the Client was obtained.

Apollo ST Debt Advisors does not co-invest in any Clients or the funds or any separate accounts managed by the Apollo Managers (collectively, the "Apollo Funds"). However, Apollo's principals, officers and employees and certain of Apollo's affiliates may have direct and indirect investments of their own capital in the Apollo Funds through, for example, employee co-investment vehicles, direct investments, deferred compensation agreements, performance allocation and carried interest. Additionally, Apollo ST Debt Advisors may become an investor in a Client as a result of management fee waiver programs. The existence of the performance allocation in the case of Clients may create an incentive for Apollo ST Debt Advisors to make more speculative investments on behalf of Clients than it might otherwise make in the absence of such performance-based compensation. The terms of the performance allocation could give Apollo ST Debt Advisors an incentive to make decisions regarding the timing and structure of realization transactions that are not applicable to the interests of investors.

Apollo has put in place Personal Trading Policies and Procedures, as set forth in the Code of Ethics and as discussed more fully above in this Item 11, designed, among other things, to address the conflicts of interest that arise in connection with personal trading.

Apollo ST Debt Advisors and its affiliates may also have ongoing relationships with companies whose securities have been acquired by, or are being considered for investment by, Clients. From time to time, Apollo ST Debt Advisors may acquire securities or other financial instruments of an issuer for Clients which are senior or junior securities or financial instruments of the same issuer that are held by, or acquired for, an Apollo Fund (e.g., an Apollo Fund may acquire senior debt while Clients may acquire subordinated debt). For example, in the event

such issuer enters bankruptcy, the Apollo Fund holding securities which are senior in bankruptcy preference may have the right to aggressively pursue the issuer's assets to fully satisfy the issuer's indebtedness to such fund, and as a fiduciary, the applicable Apollo Manager would have an obligation to pursue such remedy on behalf of the Apollo Fund. As a result, a Client holding assets of the same issuer which are more junior in the capital structure may not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and may suffer a loss. The Apollo Managers recognize that conflicts may arise under such circumstances and will endeavor to treat all Apollo Funds fairly and equitably. To that end, the Apollo Managers have adopted procedures that are designed to enable the Apollo Managers to address such conflicts and to ensure that the Apollo Funds are treated fairly and equitably. No Client may acquire securities or other interests of a class that is senior or junior to a class of securities of an issuer already held by another Client unless the disclosure and governing documents for each of the affected Clients contemplate such an investment practice and contain appropriate risk and conflict disclosures.

Apollo Funds may have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Apollo Fund. If it is not possible to satisfy in full the investment interest of multiple Apollo Funds in an investment opportunity, then Apollo will determine each Apollo Fund's participation in one of the following ways: (i) pro rata allocation or (ii) allocation according to a pre-defined scheme other than pro rata. Apollo's allocation policies and procedures are described more fully in Item 6 and 10 above.

ITEM 12

Brokerage Practices

Apollo ST Debt Advisors generally invests on behalf of Clients in senior loans, debt securities, derivatives, hedges, and other instruments, which typically do not involve brokers or brokerage commissions, although an assignment fee is often charged by the administrative agent for a particular loan, and fees may be payable when buying and selling bank loans.

Apollo ST Debt Advisors may buy or sell securities directly from or to a dealer acting as principal at prices that include markups or markdowns. Portfolio transactions will be executed by brokers selected by Apollo ST Debt Advisors in its absolute discretion. In placing portfolio transactions, Apollo ST Debt Advisors must use reasonable diligence to ascertain the "best" market price for all securities bought/ sold in that market so that the price to the Apollo Funds is as favorable as possible under prevailing market conditions. The determinative factor is whether the transaction represents the best qualitative execution for the investor/ fund and not whether the lowest possible commission cost is obtained. Apollo ST Debt Advisors considers the full range of quality of the broker's service in selecting brokers to meet best execution obligations and may not pay the lowest commission rates available. Apollo ST Debt Advisors generally takes the following factors into account to select brokers for portfolio transactions: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution, (iii) the financial strength, integrity and stability of the broker, (iv) the broker firm's risk in positioning a block of securities, (v) the quality, comprehensiveness and frequency of available research services considered to be of

value, and (vi) the competitiveness of commission rates in comparison with other brokers satisfying Apollo ST Debt Advisors' other selection criteria. Apollo ST Debt Advisors is not required to weigh any of these factors equally.

The constituent documents of certain Apollo Funds authorize the use of "soft dollars." The term "soft dollars" refers to the receipt by Apollo Managers of products and services provided by brokers without any cash payment by Apollo Managers, based on the volume of revenues generated from brokerage commissions for transactions executed for Apollo Funds. The Apollo Managers may in the ordinary course use "soft dollars" to obtain research products and services. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of their investment decision-making responsibilities. Although certain Apollo Managers have the discretion to use "soft dollars" to obtain services and products that would not be within the safe harbor afforded by Section 28(e) of the Exchange Act and for which it would otherwise be required to pay in cash, they have no plans to do so, and will notify the Apollo Funds of any change to that policy.

Consistent with Section 28(e) of the Exchange Act, research products or services obtained with soft dollars generated by one or more Clients may be used by Apollo ST Debt Advisors or another Apollo Manager to service one or more other Clients, including Clients that may not have paid for the benefits. Apollo Managers may not allocate soft dollar benefits to Clients in proportion to the soft dollar credits each Client generates. Apollo Managers do not seek to allocate soft dollar benefits to Clients in proportion to the soft dollar credits each Client generates.

Where a product or service obtained with soft dollars provides both research and non-research assistance, Apollo Managers will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist because the allocation of beneficial services may benefit Apollo Managers in addition to Apollo Clients. Apollo Managers currently have no formal arrangements with broker-dealers with respect to soft dollars, but may receive unsolicited research from broker-dealers that execute Client trades.

If an Apollo Manager determines that the purchase or sale of the same security is in the best interest of more than one Client, the Apollo Manager may, but is not obligated to, aggregate orders in order to reduce transaction costs to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Client will receive the average price with transaction costs allocated *pro rata* based on the size of each Client's participation in the order (or allocation in the event of a partial fill) as determined by the Apollo Manager. In the event of a partial fill, allocations generally will be made *pro rata* based on the initial order, but may be modified on a basis that the Apollo Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. This may result in allocations of certain investments on other than a *pari passu* basis.

ITEM 13

Review of Accounts

Apollo ST Debt Advisors' investment professionals generally attend a daily meeting to discuss and review Client holdings. The number of credits followed by an investment professional varies. Key portfolio information and account metrics are reviewed by investment professionals and senior management on a current basis. Apollo ST Debt Advisors conducts thorough, periodic reviews of Client accounts in order to assess trends that may impact an individual investment's ability to generate cash, profitability, asset values, financing needs, potential liability and ability to service any debts.

The Investment Practices Committee of Apollo (the "IPC") meets on a quarterly basis to review portfolio management and investment processes and related documents evidencing compliance with written policies and procedures for all Apollo Funds. Generally, the IPC provides oversight of issues relating to the investment and trading of Apollo Funds, such as allocations and best execution. The IPC ensures certain management reports and certifications are reviewed by members of Apollo's Compliance, Finance, Operations and Legal Departments.

Investors in CLOs and CDOs generally receive periodic trustee reports which contain holdings, cash balances, compliance test results, and payment date distribution details. Investors are also delivered audited financial statements on an annual basis, within 120 days of the applicable Client's fiscal year end. In addition to information received directly from the custodian, each separately managed account receives the reports specified in its investment management agreement. Upon request, Apollo ST Debt Advisors also makes available certain additional information.

ITEM 14

Client Referrals and Other Compensation

Apollo ST Debt Advisors does not compensate any person who is not a supervised person, including solicitors or placement agents, for Client referrals. However, Apollo ST Debt Advisors may enter into arrangements with, and compensate, solicitors for investor referrals to Clients. These solicitation arrangements will be fully disclosed to affected investors and will generally be consistent with the requirements of Rule 206(4)-3 under the Advisers Act, which applies to Clients. Generally, the terms of such arrangements will vary but call for Apollo ST Debt Advisors to pay the solicitor a fee equal to a percentage of capital contributions, management fees, incentive fees, incentive allocations or a combination of such contributions or fees borne by each investor introduced to an Apollo Fund by the solicitor.

ITEM 15

Custody

Apollo ST Debt Advisors is generally deemed to have custody of Client funds and securities because it has the authority to obtain Client funds or securities, for example because: (1) it has affiliated entities that act as (i) the general partner of a Client formed as a limited partnership or

(ii) the managing member of a Client formed as a limited liability company; or (2) it has the authority to withdraw Client funds from an account or withdraw Client fees. Qualified custodians send Client account statements to Apollo ST Debt Advisors.

Apollo ST Debt Advisors is subject to, and complies with, Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). With respect to Clients, Apollo ST Debt Advisors is deemed to have complied with the Custody Rule because each Apollo Fund is audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and each Client distributes its audited financial statements to all investors no later than 120 days after the end of the Client’s fiscal year.

ITEM 16

Investment Discretion

Apollo ST Debt Advisors has full discretionary authority with respect to investment decisions, and its advice with respect to Clients is provided in accordance with the investment objectives and guidelines as set forth in their respective offering memoranda and constituent documents. The Client offering documents generally place limitations on Apollo ST Debt Advisors regarding its management of Clients, including: (i) the number of portfolio investments that Clients may acquire; (ii) the size of portfolio investments; (iii) the amount of leverage that Clients may use to acquire portfolio investments; and (iv) the percentage of portfolio investments acquired by Clients that are organized and operated primarily outside of the United States. Limited partners in Clients may also negotiate with the general partners in side letter agreements for more specific limitations applicable to the limited partner, such as prohibited investments in specified countries. Apollo ST Debt Advisors is delegated the authority to consummate investments on behalf of Clients by the terms of the limited partnership agreements of the Clients, and the investment management agreements entered into between the Clients and Apollo ST Debt Advisors.

Similarly, Apollo ST Debt Advisors’ investment decisions and advice with respect to a managed account will be in accordance with the investment objectives and guidelines in such managed account’s investment management agreement, as well as any other instructions provided by the Client to Apollo ST Debt Advisors. Managed accounts may operate on a discretionary or non-discretionary basis.

ITEM 17

Voting Client Securities

Apollo ST Debt Advisors has been delegated the authority to vote proxies regarding their Client accounts. Apollo ST Debt Advisors may have conflicts of interest where they have a substantial business relationship with a company and the failure to vote in favor of company management could Apollo ST Debt Advisors’ relationship with management. Conflicts may also arise in the event a senior executive of a company and principal of Apollo has a significant personal relationship that could affect how the adviser would vote on a matter relating to the company.

Apollo ST Debt Advisors has adopted and implemented policies and procedures which it believes are reasonably designed to ensure that it votes proxies in the best interests of its Clients. For example, if an Apollo representative sits on the board of directors of a company that is the subject of a proxy, the Chief Compliance Officer or designee will undertake a review prior to any vote by the proxy recipient to determine whether a material conflict of interest exists between Apollo ST Debt Advisors and the interests of its Client or between Apollo ST Debt Advisors and its Client and the company shareholders. In the event that a material conflict of interest is identified, the Chief Compliance Officer or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the Client, including, but not limited to, consulting with the legal department, outside counsel, a proxy consultant or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising their voting discretion, Apollo ST Debt Advisors seeks to avoid any direct or indirect conflict of interest between its Clients and its voting decision.

A copy of the proxy voting policy is available to Clients upon request. Further, upon request, Clients will be provided with a record of how proxies have been voted.

ITEM 18

Financial Information

This Item 18 is not applicable. Apollo ST Debt Advisors is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19

Requirements for State-Registered Advisers

This Item 19 is not applicable.